GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2432
ANSWERED ON:01.08.2016
City Gas Distribution
Jaiswal Dr. Sanjay

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has taken note of instances of almost near zero tariff bidding during bidding rounds for City Gas Distribution (CGD) and if so, the details thereof;
(b) whether the Government has any plans of re-introduction of cross-subsidies between the marketing margin and network tariff in this regard; and
(c) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)
(a) to (c): In year 2007, Government has established Petroleum and Natural Gas Regulatory Board (PNGRB) under the PNGRB Act 2006. Under the Act, PNGRB grant authorization to the entities for developing a City Gas Distribution (CGD) network in the specified Geographical Area (GA) of the country through a bidding process. PNGRB has taken note of the near zero network tariff bidding during CGD bidding rounds. PNGRB has granted authorization for CGD network in 45 GAs through bidding. Out of these 45 GAs, PNGRB has received near zero network tariff bid in respect of 37 GAs. The details are at Annexure-I. Under the provisions of PNGRB Act, 2006, matters related to bidding process and the biddable parameters to select an entity for granting authorization to develop CGD network in any part of the country falls within the domain of PNGRB.
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